

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01752A
Clearwater Utilities Company, Inc.
20441 West Cheyenne
Buckeye AZ 853260000

RECEIVED

MAR 15 2004

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
----	----	------

FOR COMMISSION USE

Ann04	03
-------	----

COMPANY INFORMATION

Company Name (Business Name) CLEARWATER UTILITIES, INC.

Mailing Address 20441 W. CHEYENNE
(Street)

BUCKEYE

(City)

AZ

(State)

85326

(Zip)

623-386-4096

Telephone No. (Include Area Code)

623-386-7334

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address clwater@aol.com

Local Office Mailing Address _____

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: PAUL B. GUERIN

(Name)

PRESIDENT

(Title)

7730 NORTH 2ND AVENUE

(Street)

PHOENIX

(City)

AZ

(State)

85021

(Zip)

602-943-9794

Telephone No. (Include Area Code)

623-386-7334

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: PAUL B. GUERIN

(Name)

7730 NORTH 2ND AVENUE

(Street)

PHOENIX

(City)

AZ

(State)

85021

(Zip)

602-943-9794

Telephone No. (Include Area Code)

623-386-7334

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☒ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

KLECKA, WILKINS & KLECKA

• CERTIFIED PUBLIC ACCOUNTANTS •

Daniel E. Klecka, CPA
Harry E. Wilkins III, CPA
Michael J. Klecka, CPA

6520 N. Seventh Street
Suite 100
Phoenix, Arizona 85014

To the Board of Directors
Clearwater Utilities, Inc.
Buckeye, Arizona

We have compiled the balance sheet of Clearwater Utilities Co., Inc. (an Arizona Corporation) as of December 31, 2003, and the comparative statement of income and expense for the year then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Clearwater Utilities, Inc.

A compilation is limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the accompanying financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and changes in cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The supplemental information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.



Phoenix, Arizona
March 15, 2004

COMPANY NAME

CLEARWATER UTILITIES COMPANY, INC.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	2,814		2,814
304	Structures and Improvements	14,930	13,345	1,585
307	Wells and Springs	29,109	8,769	20,340
311	Pumping Equipment	33,594	23,769	9,825
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	158,488	48,058	110,430
331	Transmission and Distribution Mains	7,010	932	6,078
333	Services	33,727	13,264	20,463
334	Meters and Meter Installations	154,333	43,900	110,433
335	Hydrants	1,997	257	1,740
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	31,453	25,646	5,807
341	Transportation Equipment	35,836	2,179	33,657
343	Tools, Shop and Garage Equipment	2,546	742	1,804
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	896	90	806
	TOTALS	506,733	180,951	325,782

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME

CLEARWATER UTILITIES COMPANY, INC.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	2,814		
304	Structures and Improvements	14,930	5%	747
307	Wells and Springs	29,109	5%	1,456
311	Pumping Equipment	33,594	5%	1,680
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	158,488	5%	7,924
331	Transmission and Distribution Mains	7,010	5%	351
333	Services	33,727	5%	1,686
334	Meters and Meter Installations	154,333	5%	7,717
335	Hydrants	1,997	5%	100
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	31,453	5%	1,573
341	Transportation Equipment	35,836	5%	1,792
343	Tools, Shop and Garage Equipment	2,546	5%	127
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	896	5%	45
	TOTALS	506,733		25,198

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME

CLEARWATER UTILITIES COMPANY, INC.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 45,741	\$ 54,776
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	56,154	44,217
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 101,895	\$ 98,993
	FIXED ASSETS		
101	Utility Plant in Service	\$ 481,479	\$ 506,733
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	155,754	180,951
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 325,725	\$ 325,782
	TOTAL ASSETS	\$ 427,620	\$ 424,775

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ -	\$ 5,850
232	Notes Payable (Current Portion)	67	-
234	Notes/Accounts Payable to Associated Companies	30,949	30,949
235	Customer Deposits	44,022	45,955
236	Accrued Taxes	4,919	8,236
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 79,957	\$ 90,990
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ -	\$ -
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advances in Aid of Construction	119,233	140,349
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 119,233	\$ 140,349
	TOTAL LIABILITIES	\$ 199,190	\$ 231,339
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 15,000	\$ 15,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	213,430	178,436
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 228,430	\$ 193,436
	TOTAL LIABILITIES AND CAPITAL	\$ 427,620	\$ 424,775

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 300,848	\$ 327,858
460	Unmetered Water Revenue		461
474	Other Water Revenues	32,853	11,324
	TOTAL REVENUES	\$ 333,701	\$ 339,643
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 121,536	\$ 155,963
610	Purchased Water	7,518	6,004
615	Purchased Power	9,831	3,144
618	Chemicals		
620	Repairs and Maintenance	7,757	4,287
621	Office Supplies and Expense	29,411	25,348
630	Outside Services	8,651	2,232
635	Water Testing	3,458	3,061
641	Rents	4,950	4,800
650	Transportation Expenses	5,771	24,270
657	Insurance – General Liability	8,181	8,955
659	Insurance - Health and Life	18,722	11,980
666	Regulatory Commission Expense – Rate Case	3,958	17,429
675	Miscellaneous Expense		
403	Depreciation Expense	23,936	25,198
408	Taxes Other Than Income	26,076	20,457
408.11	Property Taxes	9,423	12,317
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 289,179	\$ 325,445
	OPERATING INCOME/(LOSS)	\$ 44,522	\$ 14,198
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 104	\$ 131
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(74)	
	TOTAL OTHER INCOME/(EXPENSE)	\$ 30	\$ 131
	NET INCOME/(LOSS)	\$ 44,552	\$ 14,329

COMPANY NAME **CLEARWATER UTILITIES COMPANY, INC.**

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 140,389

Meter Deposits Refunded During the Test Year

\$

COMPANY NAME **CLEARWATER UTILITIES COMPANY, INC.**

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
611624	15	475	370	8"	4"	1972
611625	15	175	400	10"	4"	
517731	7.5	100	300	8"	4"	

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Waterman Well-P. Guerin	110	11,837

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30 HP (Owned)	2	22	
25 HP (Leased)	2		
15 HP (Owned)	2		
20 HP	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
250 K gal (Owned)	1	10 K (Owned)	1
100 K (Owned)	1	5 K (Owned)	2
100 K (Leased)	2	10 K (Leased)	1

COMPANY NAME **CLEARWATER UTILITIES COMPANY, INC.**

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	AC	400
5		
6	AC	23.75 Miles
8	AC	6.65 Miles
10		
12		
6	PVC	3 Miles
8	PVC	25 Miles

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	598
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	2
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

Meter Shop

OTHER:

2,000 Foot 6' Fence with Razor Ribbon

COMPANY NAME: CLEARWATER UTILITIES COMPANY, INC.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	560	5,344	3,546
FEBRUARY	564	5,818	3,455
MARCH	570	6,450	3,033
APRIL	577	7,871	6,801
MAY	580	12,888	10,912
JUNE	584	13,542	12,890
JULY	581	15,988	16,322
AUGUST	590	11,802	11,378
SEPTEMBER	586	11,217	10,701
OCTOBER	589	10,821	8,696
NOVEMBER	595	7,171	7,960
DECEMBER	595	6,122	7,667
TOTAL		N/A	103,361

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes

☐ No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes

☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. _____mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

.014-55-611625-C (1-2) 19 AC
.0097-55-611624-C (1-2) 18 DAB
.033-55-512731-C (1-2) 16 BCA

COMPANY NAME CLEARWATER UTILITIES COMPANY, INC. YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 12,317

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME CLEARWATER UTILITIES COMPANY, INC. YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported -
Estimated or Actual Federal Tax Liability -

MAR 15 2004

State Taxable Income Reported -
Estimated or Actual State Tax Liability -

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A
Amount of Gross-Up Tax Collected N/A
Total Grossed-Up Contributions/Advances N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Paul E. Gurin
SIGNATURE

3/8/04
DATE

Paul E. Gurin
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

MAR 15 2004

VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Maricopa
NAME (OWNER OR OFFICIAL) TITLE	Paul B. Guerin President
COMPANY NAME	Clearwater Utilities Inc

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 339,643

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ _____
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

Paul B. Guerin
SIGNATURE OF OWNER OR OFFICIAL
623-386-4096
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

8th

DAY OF

COUNTY NAME	Maricopa
MONTH	March
YEAR	2004
<i>Jackie A. Aaron</i> SIGNATURE OF NOTARY PUBLIC	

(SEAL)

MY COMMISSION EXPIRES 3-17-07
Notary Public State of Arizona



Maricopa County
Jackie A. Aaron

Expires March 17, 2007

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

MAR 15 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	Maricopa	
NAME (OWNER OR OFFICIAL)	Paul B. Guerin	TITLE President
COMPANY NAME	Clearwater Utilities INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 339,643

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 19,685
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Paul B. Guerin
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

8th

DAY OF

NOTARY PUBLIC NAME	Charles A. Aaron	
COUNTY NAME	Maricopa	
MONTH	March	20 04

(SEAL) Notary Public State of Arizona
Maricopa County
Jackie A. Aaron
MY COMMISSION EXPIRES 3-17-07
Expires March 17, 2007

Charles A. Aaron
SIGNATURE OF NOTARY PUBLIC